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Jury Trial Demanded

JURISDICTION AND VENUE

1. Plaintiffs are each adult resident citizens of Jefferson County, Alabama. Defendant AHS is a corporation organized under and existing pursuant to the laws of the state of Delaware, with its principal place of business in Memphis, Tennessee. The amount in controversy exceeds \$75,000, exclusive of interest and costs. This Court, therefore, has subject matter jurisdiction over this cause pursuant to 28 U.S.C. §1332, because there exists complete diversity of citizenship between plaintiffs and defendant and the amount in controversy exceeds the statutory jurisdictional amount. Venue is proper under 28 U.S.C. §1391, since the events giving rise to plaintiffs' claims occurred within this judicial district and division and since AHS is subject to the personal jurisdiction of this Court.

II.

FACTUAL AVERMENTS

A.

AHS'S NATIONWIDE PATTERN OF CONDUCT

2. AHS is in the business of selling home warranties to home buyers throughout the United States, typically at the time a house changes hands. AHS markets these warranties using standardized written sales materials (Exhibit A), and the warranties themselves are in the nature of insurance policies embodied in detailed, uniform contractual provisions (Exhibit B).

3. AHS purports to “warrant” major components and appliance systems of the home against breaking down by reason of age or normal wear and tear. Major components warranted include the home's heating, ventilation, and air conditioning (“HVAC”) system. According to AHS sales materials, such components are covered “regardless of age.” (Ex. A). Indeed, this is the first item covered in the “Frequently Asked Questions” contained in the AHS sales materials.

(Ex. A). It is the express purpose of the warranty to provide coverage for the breakdown of older components.

4. The written warranty itself provides that HVAC and other components are covered against breakdown, provided only that the components:

A. Are located within the confines of the main foundation of the house or attached or detached garage (with the exception of the exterior well pump, air conditioner, and pool and/or spa equipment, if selected);

B. Become inoperative due to normal wear and tear;

C. Are in good working order on the Effective Date of this contract;
and

D. Are properly maintained and installed throughout the term of this contract for proper diagnosis.

(Ex. B, ¶ 1) (emphasis supplied).

5. In direct violation of the express provisions of the contract, the actual policy and practice of AHS is to deny coverage on any components that display any sign of having been improperly cleaned or maintained, at any time in the history of the component, including an alleged failure to clean or maintain that occurred prior to the effective date of the warranty insurance policy. Since the contract requires only that the component be in good working order at the time of the contract's inception and that the policyholder properly maintain it during the term of the warranty contract, it is therefore AHS's usual and customary practice to violate the unambiguous terms of its own contract.

6. Additionally, AHS has a policy and practice of conspiring with the service technicians it hires to minimize or eliminate any actual repairs or replacements of covered appliances and systems. Using monetary and other incentives, AHS encourages its technicians to report their inspections in such a way as to ensure that the claims will be denied by AHS.

AHS uses punitive measures, including the termination of relationships with third party technicians, to prevent those technicians from honestly and accurately reporting their inspections resulting in the payment of claims.

7. AHS's deliberate and nationwide practice of denying claims in violation of its own contract is in bad faith. It is the very essence of bad faith for an insurance company to deliberately breach the express provisions of its own adhesion contract forms.

8. There is a provision in the AHS written policy that excludes from coverage damage "caused by . . . failure to clean or maintain." (Exhibit B, ¶ 8) (emphasis supplied). In contravention of this provision, AHS normally and routinely denies coverage where there is any evidence, however minor, that the component is dirty or was not maintained, regardless of whether the failure to clean or maintain was, in fact, the cause of the damage. AHS normally and routinely fails to differentiate between a component that may evidence some signs of having not been properly cleaned and maintained, but which failed for unrelated reasons (e.g., age and normal wear and tear), and a component that in fact failed because of a failure to clean or maintain.

9. AHS's normal and customary policy and practice of denying claims based on the ¶ 8 exclusion, without regard to whether failure to clean or maintain actually caused the damage, is in bad faith, violating the insurance company's express duty to properly investigate and evaluate claims.

10. The AHS written warranty insurance policy requires the policyholder to allow a service company chosen by AHS to make the determination of whether there was a failure to clean or maintain a component. These service companies are provided with powerful financial incentives to report that there was a failure to clean or maintain or other condition that would fit

into one of the other exclusions from coverage, e.g., a pre-existing condition. Service companies chosen and hired by AHS are allowed to charge the policyholder a much higher price to repair or replace the component if coverage is denied than AHS would pay if coverage was granted. In other words, if the service companies report that the damage was caused by ordinary wear and tear, AHS pays them far less for the repair than they could charge the homeowner if coverage is denied and the homeowner was thereby saddled with the bill. AHS then relies exclusively on the report by its own improperly incentivized service companies to make its decision to pay or not pay claims. There is no provision for the insured to contest AHS's decision. Unlike in many casualty insurance policies, there is no provision for having an umpire or other neutral decide disputes relating to claims, nor may the insured request a separate opinion from a service provider of the insured's choosing.

11. AHS's nationwide policy and practice of relying solely upon service providers who are financially incentivized to deny claims is in bad faith. AHS knows full well that the service companies that it hires are financially motivated to deny claims, and with that knowledge, fails to otherwise investigate or evaluate its policyholders' claims, in violation of the duty of good faith to investigate and evaluate all claims. Further, AHS uses punitive measures to ensure that service companies do not honestly and accurately report their inspections.

B.

FACTS RELATING TO THE NAMED PLAINTIFFS

12. Plaintiffs Steven and Laura Faught purchased their home located at 6924 Mountain View Drive NE, Pinson, Alabama 35216, in November 2006. On November 6, 2006, as part of the inspection process associated with the home purchase, the Faughts hired a qualified HVAC service company, Sewell Service Co. of Birmingham, Alabama, to inspect the furnace

and air conditioner. The inspector stated that both units were in "good operating condition," but that the "filter needs to be replaced." (Exhibit C). The Faughts had the filter replaced and replaced it regularly thereafter.

13. The house located at 6924 Mountain View Drive is an older home, and the Faughts were concerned that many of the older components, including the air conditioner, might soon need to be repaired or replaced because of age and ordinary wear and tear. Accordingly, the Faughts purchased a home warranty from AHS, contract number 80424851, with a contract term of December 12, 2006 through December 12, 2007. (Exhibit D). The premium for this twelve-month policy was \$419.00. Explicit coverages appearing on the face of the contract included, among others, "air conditioning." The Faughts timely paid all premiums and otherwise satisfied all conditions precedent to coverage.

14. Home air conditioners such as the one located at 6924 Mountain View Drive should be cleaned and serviced annually. To ensure the efficient function of the HVAC system, including the furnace and air conditioner, filters should be replaced regularly, typically every three months. The Faughts replaced the filters regularly and at intervals of less than three months. Since they purchased a house with an air conditioner that was in "good working order," there was no obligation on the Faughts to have the unit cleaned or maintained until a year had elapsed, i.e., until December 2007.

15. On July 15, 2007, less than seven months after the Faughts purchased their home and entered into the warranty insurance agreement with AHS, the air conditioner unit failed. The air conditioner unit was at this time 31 years old.

16. A service contractor chosen by AHS, Air Repair LLC of Hueytown, Alabama, made a service call on July 16, 2007, after the Faughts reported the air conditioner failure to

AHS. The service contractor determined that the “unit has shorted compressor -- contactor has melted terminal. Emp. coil is clogged due to not having a proper filter rocking system. Condenser coil is also clogged on 75% of its surface.” (Exhibit E). Based solely on this, AHS made the decision to deny the claim because of an alleged failure to clean and maintain the air conditioner. Air Repair LLC gave the Faughts an estimate of \$5,650 to replace the unit.

17. The next day, the Faughts asked the service contractor who originally inspected the air conditioner prior to purchasing the home, Sewell Service Co., to inspect the air conditioner. Sewell noted that the unit was 31 years old and determined that “system has compressor failure due to age -- compressor shorted internally.” (Exhibit F).

18. AHS nevertheless stood by its decision to deny the claim. In addition, there were other aspects of the Faughts' claim that was paid in part, but in direct violation of other contract provisions and of the duty of good faith.

19. AHS's decision to deny the Faughts' claim under the warranty insurance agreement violated the agreement and was in bad faith. AHS's bad faith, as in its conduct towards the plaintiff class members generally, took a number of forms. First, to the extent AHS based its decision on a determination that the air conditioner unit failed because of failure to clean or maintain occurring before the Faughts entered into the warranty agreement with AHS, reliance upon such a ground violates the clear provisions of the contract and is in bad faith. Second, since there was never any determination that the failure of the compressor was caused by any failure to clean or maintain as opposed to the extreme age of the unit, AHS's decision violated the contract and was in bad faith. Finally, AHS's sole reliance upon a contractor who has a financial incentive to deny the claim was in bad faith.

C.

CLASS ACTION ALLEGATIONS

20. Plaintiffs bring this action on their own behalf and on behalf of others similarly situated as a nationwide class action pursuant to Rule 23 of the Federal Rules of Civil Procedure.

The class which plaintiff seeks to represent is composed of and defined as:

All persons who have held a residential home warranty contract from AHS applicable to a house within the United States at any time since June 21, 2001. Excluded from this class are the defendant, any subsidiary or affiliate of the defendant, and any judge, arbitrator, or mediator who may adjudicate, arbitrate, or mediate this action.

21. This action has been brought and may properly be maintained as a class action pursuant to the provisions of the Rule 23(a)(1)-(4) and Rule 23(b) of the Federal Rules of Civil Procedure, and satisfies the numerosity, commonality, typicality, adequacy and superiority requirements thereof because:

- (a) The plaintiff class is so numerous that the individual joinder of all members is impracticable under the standard of Fed. R. Civ. P. 23(a)(1).
- (b) Common questions of law and fact exist as to all members of the class, as required by Fed. R. Civ. P. 23(a)(2), and predominate over any questions which affect only individual members of the class within the meaning of Fed. R. Civ. P. 23(a)(2). These common questions of law and fact include, without limitation:
 - (1) Whether defendant has engaged in a violation of law as alleged herein;
 - (2) Whether defendant by nature of its wrongful conduct is liable for damages and losses resulting from the conduct alleged herein; and
 - (3) Whether the defendant had a policy and uniform practice of breaching its uniform written warranty contracts, as alleged

herein;

(4) Whether the defendant's policy and practice of breaching its uniform written warranty contracts was done in bad faith.

(c) Plaintiff's claims are typical of the claims of the members of the class under Fed. R. Civ. P. 23(a)(3). The plaintiff and all members of the class sustained damages arising out of defendant's common course of conduct in violation of law as complained herein. The losses of each member of the class were caused directly by defendant's wrongful conduct in violation of law as alleged herein.

(d) The individual and representative plaintiff will fairly and adequately protect the interests of the class as required by Fed. R. Civ. P. 23(a)(4). Plaintiffs have no interests which are adverse to the interests of the class members. Plaintiffs purchased, like the other class members, a home warranty and had coverage denied based on AHS's pattern and policy of breaching its contracts in bad faith. Plaintiffs are adequate representatives of the class and any subclass as designated by the court. Plaintiffs have retained counsel who have substantial experience and success in the prosecution of class action and consumer litigation.

(e) The scheme affected all class members similarly. Plaintiffs and all members of the class had claims denied on essentially identical grounds. As a result, the issues which affect plaintiff and the class members in common predominate over those which affect only the interest of any particular class member. Thus, common questions of law and fact greatly predominate over questions of law or fact affecting only individual

members of the class.

- (f) A class action is superior to other available methods for the fair and efficient adjudication of this controversy under Fed. R. Civ. P. 23(b) since individual joinder of all members of the class is impracticable. Furthermore, as the damages suffered by each individual member of the class may be relatively small, the expense and burden of individual litigation would make it difficult or impossible for individual members of the class to redress the wrongs done to them. The cost to the court system of adjudication of such individualized litigation would be substantial. Individualized litigation would also present the potential for inconsistent or contradictory judgments and would magnify the delay and expense to all parties and the court system in multiple trials of the factual issues of the case. By contrast, the conduct of this action as a class action presents far fewer management difficulties, conserves the resources of the parties and the court system, and protects the rights of each class member.

III.

CLAIMS FOR RELIEF

COUNT I

Breach of Contract

22. Plaintiffs incorporate by reference the averments of paragraphs 1 through 20.
23. AHS breached its contractual obligations to plaintiffs and the class.
24. As a consequence of defendant's breach of contract, plaintiffs and the class members have suffered damages in the form of unpaid claims, inconvenience, pain and suffering, and mental and emotional distress.

COUNT II

Bad Faith Failure To Pay An Insurance Claim

25. Plaintiffs incorporate by reference the averments of paragraphs 1 through 23.

26. The foregoing conduct by AHS towards plaintiffs and the class members breached the duty of good faith inherent in all insurance contracts, and constitute the tort of bad faith failure to pay an insurance claim.

27. As a consequence of defendant's bad faith failure to pay, plaintiffs suffered damages in the form of unpaid claims, inconvenience, pain and suffering, and mental and emotional distress.

IV.

PRAYER FOR RELIEF

WHEREFORE, the premises considered, plaintiffs seek the following relief:

(a) following appropriate discovery, an order certifying this cause as a nationwide class action pursuant to Fed. R. Civ. P. 23, with appropriate subclasses as the Court deems appropriate, and notice as applicable to the absent class members;

(b) a declaration that AHS's nationwide pattern and practice of conduct as alleged herein constitutes breach of contract and bad faith with respect to plaintiffs and the class as a whole;

(c) appropriate injunctive relief requiring AHS to reform its practices and to pay claims pursuant to the provisions of its uniform warranty insurance policies;

(d) appropriate equitable relief, including requiring AHS at the end of Phase I of the class action to provide an accounting of all transactions and other activity relating to the class members' insurance payments;

(e) upon a jury verdict, an award of compensatory and punitive damages to compensate plaintiffs and the class members and to punish AHS and deter it and others similarly situated from bad faith conduct with regard to the payment of claims under similar contracts;

(f) interest;

(g) costs; and

(h) such further and different relief as the Court may deem appropriate.

/s/ John E. Norris
John E. Norris
One of the Attorneys for Plaintiff

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PLAINTIFFS DEMAND A TRIAL BY STRUCK JURY ON ALL CLAIMS

/s/ John E. Norris

OF COUNSEL

NOTICE TO CLERK: PLEASE SERVE DEFENDANT VIA CERTIFIED MAIL AT THE FOLLOWING ADDRESS:

American Home Shield Corporation
c/o Registered Agent
The Corporation Company
2000 Interstate Park Drive
Suite 204
Montgomery, Alabama 36109

EXHIBIT A

Common AHS Home Warranty Questions

Q. My system or appliance is over 10 years old. Is it still covered?

A. Yes. Your AHS Home Warranty covers your home systems and appliances no matter what age.

Q. How many service calls am I allowed?

A. As many as you need. There is no limit to the number of times you can call for covered repairs. In fact, the average AHS Home Warranty owner calls for repairs more than two times a year.

Q. What if I have an appliance that can't be fixed?

A. If your covered system or appliance can't be fixed by a service technician, it will be replaced based on your contract agreement.

Q. Do service technicians vary charges based on the type or complexity of the repair?

A. No, you pay the same low trade service call fee (excluding possible permit fees, haul-away fees, etc.).**

Q. How do I know my service technician is qualified?

A. AHS contractors are pre-screened to meet our quality standards. Performance is also monitored regularly to make sure you receive professional, quality work. Your satisfaction is a top priority at AHS.

Q. What if I'm not satisfied with the services?

A. AHS will work with you until you are satisfied or we will refund the amount of the trade service call fee.

Q. Can I access my account online?

A. Yes. Simply go online to www.ahsservice.com, enter your contract number or address plus your zip code to log in. While online, you can request repair services, make payments, view your account status and more.

**If covered and not otherwise excluded under the terms of the contract, AHS may provide cash back in lieu of repair or replacement in the amount of AHS actual cost to repair or replace such item, which at times may be less than retail pricing. The trade service call fee applies to the initial visit by a service technician for each covered trade. This initial fee covers any additional technician visits required for the same breakdown within 30 days of the original service date. Additional charges may apply for some repairs and replacements.



A ServiceMASTER COMPANY

The Home Warranty Plan is issued and administered exclusively by American Home Shield Corporation, American Home Shield of Arizona, Inc., American Home Shield of California, Inc., American Home Shield of Florida, Inc., American Home Shield of Iowa, Inc., American Home Shield of Maine, Inc., New Jersey Home Shield Corporation, American Home Shield of Texas, Inc., American Home Shield of Virginia, Inc. and American Home Shield of Washington, Inc. ("AHS"). Each of the companies operates only where permitted by law.

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EXHIBIT B

American Home Shield Corporation
P.O. Box 849
Carroll, IA 51401

A. COVERAGE

1. During the coverage period, AHS will arrange for an AHS authorized service contractor (Service Contractor) to repair or replace the systems and appliances stated as covered in accordance with the terms and conditions of this contract so long as the systems and appliances:

- A. Are located within the confines of the main foundation of the home or attached or detached garage (with the exception of the exterior well pump, air conditioner, and pool and/or spa equipment, if selected);**
- B. Become inoperative due to normal wear and tear;**
- C. Are in good working order on the Effective Date of this contract (as defined below); and**
- D. Are properly maintained and installed throughout the term of this contract for proper diagnosis.**

2. This contract only covers single family resale homes and condominiums/townhomes/mobile homes (including manufactured housing) under 5,000 square feet, unless an alternative dwelling type (i.e. 5,000 square feet up to 10,000 square feet, or multiple units) is applied for by calling the Sales phone number on the Contract Agreement page, and the appropriate fee is paid. Coverage is for owned or rented residential property, not commercial property or residences used as businesses, including, but not limited to, day care centers, fraternity/sorority houses, and nursing/care homes.

3. This contract describes the basic coverage and options available for domestic grade appliances and systems. Domestic grade items are those that were manufactured and marketed solely for installation and use in a residential family dwelling. For the specific coverage selection on your home, see the Contract Agreement page. Coverage includes only the items stated as covered and excludes all others. Coverage is subject to limitations and conditions specified in this contract. **Please read your contract carefully.**

B. CONTRACT TERM

1. Seller's coverage for the listing and sale (escrow) period starts upon issuance of a contract number by AHS (Effective Date), and continues for 180 days or close of sale (escrow) or termination of listing (whichever occurs first). In the event that close of sale (escrow) does not occur in such 180-day period, AHS may, in its sole discretion, extend the seller's coverage period. If the application is received as a telephone or web application, then coverage will start immediately upon issuance of a contract number by AHS. Seller's coverage includes systems and appliances in Section D only, and excludes all others, unless the Heating, Air Conditioning, and Ductwork (HVAC) option is purchased.

2. Buyer's coverage begins at close of sale (escrow), provided plan fee is paid to AHS (Effective Date), and continues for one (1) year after close of sale (escrow). Any payments made by AHS during the seller's coverage period (if applicable) for the repair or replacement of any covered item shall apply against any "per contract" or "per covered item" dollar limitations set forth herein. Any exclusion, denial or suspension of service made by AHS during the seller's coverage period of any covered item shall apply against the buyer's coverage as set forth herein unless such item is repaired or replaced.

3. Lease option coverage (available for lessee only) begins upon receipt of application and contract fees by AHS and continues for one (1) full year.

C. CUSTOMER SERVICE – TO REQUEST SERVICE CALL: **1-800-776-4663 OR VISIT www.ahsservice.com**

1. You must notify AHS for work to be performed under this contract as soon as the problem is discovered. AHS will accept service calls 24 hours a day, 7 days a week at 1-800-776-4663 or online at www.ahsservice.com. Notice of any service request must be given to AHS prior to expiration of this contract.

2. Upon request for service, AHS will contact a Service Contractor within four (4) hours during normal business hours and forty-eight (48) hours on weekends and holidays. The Service Contractor will promptly contact you to schedule a mutually convenient appointment during normal business hours. **AHS will determine what repairs constitute an emergency and will make reasonable efforts to expedite emergency service. If you should request AHS to perform non-emergency service outside of normal business hours, you will be responsible for payment of additional fees, including overtime.**

3. **AHS has the right to select the Service Contractor, which may be a service company affiliated with AHS, to perform the service. AHS will not reimburse for services performed without its prior approval.**

4. You will pay \$55 for each trade service call, or the actual cost, whichever is less. Additional charges may apply to certain repairs and replacements. The trade service call fee is for each call dispatched and scheduled to be run (except as noted in Section C.6.) including, but not limited to, trade service calls wherein coverage is (in whole or in part) granted, excluded, limited or denied. Please note: the trade service call fee applies in the event you fail to be present at the scheduled time of the trade service call or in the event you cancel a call at the time the Service Contractor is in route to your home or the Service Contractor has already arrived at your home. The trade service call fee will be due and payable to the Service Contractor (or to AHS) at the time of the scheduled trade service call. AHS will not respond to any new requests for service until any previous outstanding trade service call fees are paid in full.

5. **At the time the work begins and at appropriate time(s) thereafter, certain repairs and replacements may require you to allow a state or local building inspector access to your home.** Failure to pay any required permit fee or to allow access to your home by the building inspector, will result in suspension of coverage (for that specific repair or replacement) until such time as the permit fee is paid or access is granted (as applicable). At that time, coverage will be reinstated; however, the contract term will not be extended.

6. If service work performed under this contract should fail, AHS will make the necessary repairs without an additional trade service call fee for a period of 90 days on parts and 30 days on labor.

D. COVERED SYSTEMS AND APPLIANCES

The following systems and appliances are covered for the home seller and home buyer. Certain limitations of liability apply to covered systems and appliances (see Sections A and G).

1. PLUMBING SYSTEM

COVERED: Leaks and breaks of water, drain, gas, waste or vent lines, except if caused by freezing or roots - Toilet tanks, bowls and related mechanisms (builder's standard is used when replacement is necessary), toilet wax ring seals - Valves for shower, tub, and diverter, angle stops, risers and gate valves - Permanently installed sump pumps (ground water only) - Built-in bathtub whirlpool motor and pump assemblies.

NOT COVERED: Stoppages - Collapse or damage to water, drain, gas, waste or vent lines caused by freezing or roots - Faucets and fixtures - Bathtubs and showers - Shower enclosures and base pans - Sinks - Toilet lids and seats - Caulking or grouting - Septic tanks - Water softeners - Pressure regulators - Inadequate or excessive water pressure - Flow restrictions in fresh water lines caused by rust, corrosion or chemical deposits - Sewage ejector pumps - Holding or storage tanks - Saunas or steam rooms - Hose bibs - Whirlpool jets.

NOTE: Where covered repairs require access to plumbing systems, AHS will only provide access to plumbing systems through unobstructed walls, ceilings or floors, and will return access openings to a rough finish. Obstructions include, without limitation, built-in appliances, systems, cabinets, and floor coverings. AHS will cover up to \$500 for access, diagnosis, repair or replacement (including returning access openings to a rough finish) to any portion of a plumbing system that is inaccessible because of concrete.

2. WATER HEATER (Gas, Electric, or Oil)

COVERED: All components and parts, including circulating pumps, except:

NOT COVERED: Solar water heaters - Solar components - Ancillary holding or storage tanks - Noise - Fuel storage tank and energy conservation unit - Flues and vents - Thermal expansion tanks - Instant hot water dispenser.

3. ELECTRICAL SYSTEM

COVERED: All components and parts, including built-in exhaust fans, except:

NOT COVERED: Fixtures - Door bells - Alarms - Intercom or speaker systems - Central vacuum systems - Audio/video/computer wiring or cable - Telephone wiring - Inadequate wiring capacity - Power failure or surge - Garage door opener - Direct current (D.C.) wiring or components and/or low voltage systems including wiring and relays - Circuit overload.

4. DISHWASHER

COVERED: All components and parts, except:

NOT COVERED: Racks - Baskets - Rollers.

5. GARBAGE DISPOSAL

COVERED: All components and parts, including entire unit.

6. BUILT-IN MICROWAVE OVEN

COVERED: All components and parts, except:

NOT COVERED: Interior linings - Door glass - Shelves - Portable or counter top units - Meat probe assemblies - Rotisseries - Clocks.

7. RANGE/OVEN/COOKTOP (Gas or Electric)

COVERED: All components and parts, except:

NOT COVERED: Clocks (unless they affect the function of the oven) - Meat probe assemblies - Rotisseries - Racks - Handles - Knobs - Sensi-heat burners will only be replaced with standard burners.

8. TRASH COMPACTOR

COVERED: All components and parts, except:

NOT COVERED: Lock and key assemblies - Removable buckets.

**E. ADDITIONAL COVERAGE FOR THE HOME BUYER
OPTIONAL COVERAGE FOR THE HOME SELLER**

NOTE FOR SELLER: Optional HVAC coverage fee of \$70 is due at the closing, expiration of listing, or cancellation, whichever occurs first. The following items in Section E are subject to a combined \$1,500 maximum coverage limitation during the listing period. Limitation of liability specified in Sections A and G shall apply.

1. HEATING SYSTEM OR BUILT-IN WALL UNIT (Gas, Electric, or Oil if main source of heat to the home)

NOTE: Coverage available on heating and/or cooling systems not exceeding a five (5) ton capacity and designed for residential application.

COVERED: Heating systems including: heat pump; metering devices (i.e. thermal expansion valves); furnace; furnace transition; evaporator coils and drain lines; air handling unit; air handling transition; secondary drain pan and lines; and refrigerant lines are covered. Any of the foregoing covered components as well as plenum, indoor electrical, and duct connections are also covered when AHS determines that upgrading a heating system is required to maintain compatibility with equipment manufactured to be 13 SEER (Seasonal Energy Efficiency Ratio) and 7.7 HSPF (Heating Seasonal Performance Factor) compliant, or compliant with higher SEER or HSPF requirements.

NOT COVERED: All components and parts relating to geothermal, water source heat pumps including: outside or underground piping, components for geothermal and/or water source heat pumps, redrilling of wells for geothermal and/or water source heat pumps, and well pump and well pump components for geothermal and/or water source heat pumps - Baseboard casings - Fuel storage tanks - Portable units - Solar heating systems - Fireplaces and key valves - Filters - Registers - Grills - Clocks - Timers - Heat lamps - Humidifiers - Flues and vents - Improperly sized heating systems - Chimneys - Pellet stoves - Cable heat (in ceiling) - Wood stoves (even if only source of heating) - Systems with improperly matched condensing unit and evaporative coil

per manufacturer's specifications - Improper use of metering devices (i.e. thermal expansion valves).

NOTE BUYER ONLY: AHS will pay no more than \$1,500 per covered item per contract term for access, diagnosis and repair or replacement of any glycol, hot water or steam circulating heating system.

2. AIR CONDITIONING/COOLER

NOTE: Coverage available on heating and/or cooling systems not exceeding a five (5) ton capacity and designed for residential application.

COVERED: Ducted electric wall air conditioning systems - Water evaporative cooler systems - Ducted electric central air conditioning systems including: condenser; metering devices (i.e. thermal expansion valves); furnace transition; evaporator coils and drain lines; air handling unit; air handling transition; secondary drain pan and lines; and refrigerant lines are covered. Any of the foregoing covered components as well as plenum, indoor electrical, and duct connections are also covered when AHS determines that upgrading a ducted electric central air conditioning system is required to maintain compatibility with equipment manufactured to be 13 SEER (Seasonal Energy Efficiency Ratio) and 7.7 HSPF (Heating Seasonal Performance Factor) compliant, or compliant with higher SEER or HSPF requirements.

NOT COVERED: Gas air conditioning systems - Condenser casings - Registers and grills - Filters - Electronic air cleaners - Window units - Non-ducted wall units - Water towers - Humidifiers - Roof jacks or stands - Evaporative cooler pads - Flues - Vents - Improperly sized air conditioning unit - Chillers and chiller components - Systems with improperly matched condensing unit and evaporative coil per manufacturer's specifications - Improper use of metering devices (i.e. thermal expansion valves).

3. DUCTWORK

COVERED: Ducts from heating and/or cooling unit to point of attachment at registers or grills and flex ductwork.

NOT COVERED: Registers or grills - Insulation - Asbestos-insulated ductwork - Dampers - Improperly sized ductwork - Diagnostic testing of, or locating leaks to ductwork, including, without limitation, as required by any federal, state or local law, regulation, or ordinance, or when required due to the installation or replacement of system equipment.

NOTE: Where covered repairs require access to ductwork, AHS will only provide access to, and sealing of ductwork through unobstructed walls, ceilings or floors, and will return access openings to a rough finish. Obstructions include, without limitation, built-in appliances, systems, cabinets, and floor coverings. If the ductwork is accessible only through a concrete floor, wall or ceiling, AHS will cover up to \$500 for access to, sealing of other repair to, or replacement of such ductwork, including returning access openings to a rough finish. If any ductwork that is inaccessible due to concrete or other obstructions requires repair or replacement as a result of diagnostic testing, AHS will not cover such repair or replacement.

**F. OPTIONAL COVERAGE FOR THE HOME BUYER
(AVAILABLE UPON PAYMENT OF ADDITIONAL
CONTRACT FEE.)**

NOTE: Home buyer may purchase any optional coverage for up to 30 days after the Effective Date (see Section B). However, coverage shall not commence until receipt of payment by AHS and such coverage shall expire upon expiration of contract term in Section B. Limitations of liability specified in Sections A and G shall apply.

1. POOL AND/OR SPA EQUIPMENT (excludes portable or above ground spas)

COVERED: Both pool and built-in spa equipment (exterior hot tub and whirlpool) are covered if they utilize common equipment. If they do not utilize common equipment, then only one or the other is covered unless an additional fee is paid. Coverage applies to above ground, accessible, working components and parts of the heating, pumping,

and filtration system as follows: Heater – Pump – Motor – Filter – Filter timer – Gaskets – Blower – Timer – Valves, limited to back flush, actuator, check, 2-way and 3-way valves – Relays and switches – Pool sweep motor and pump – Above ground plumbing pipes and wiring.

NOT COVERED: Lights - Liners - Structural defects - Solar equipment - Jets – Ornamental fountains, waterfalls and their pumping systems – Pool cover and related equipment – Fill line and fill valves - Built-in or detachable cleaning equipment such as, but not limited to, pool sweeps, pop-up heads, turbo valves, skimmers, chlorinators, and ionizers - Fuel storage tanks – Disposable filtration mediums – Heat pump – Portable or above ground spas – Multi-media centers.

2. ONE KITCHEN REFRIGERATOR (must be located in the Kitchen)

COVERED: All components and parts, except:

NOT COVERED: Racks - Shelves – Drawers – Ice makers, ice crushers, beverage/water dispensers and their respective equipment - Interior thermal shells - Food spoilage - Freezers which are not an integral part of the refrigerator – Multi-media center.

WASHER/DRYER PACKAGE:

3a. CLOTHES WASHER

COVERED: All components and parts, except:

NOT COVERED: Plastic mini-tubs - Soap dispensers - Filter screens - Knobs and dials - Damage to clothing – Drawers.

3b. CLOTHES DRYER (Gas or Electric)

COVERED: All components and parts, except:

NOT COVERED: Venting - Lint screens - Knobs and dials – Dryer cabinet fragrance/humidity center, hangers, shelves, rods, hooks, and cabinet liner - Damage to clothing – Racks – Drawers.

4. WELL PUMP

COVERED: All components and parts of well pump utilized as the main source of water to the home, except:

NOT COVERED: Above or underground piping, cable or electrical lines leading to or from the well pump, including those that are located within the well casing – Well casings – Pressure switches not located on the pump – Holding, storage or pressure tanks – Booster pumps – Redrilling of wells – Well pump and well pump components for geothermal and/or water source heat pumps – Above or underground piping, cable or electrical lines for geothermal and/or water source heat pumps, including those that are located within the well casing.

NOTE: AHS will pay no more than \$1,500 per contract term for access, diagnosis and repair or replacement.

G. LIMITATIONS OF LIABILITY

1. The following are not covered for the home seller or for the first 30 days after the Effective Date (see Section B) for the home buyer: (a) malfunction or improper operation due to rust or corrosion of appliances, heating systems (including built-in wall units or heat pumps) and/or air conditioning systems/coolers or pools/spas; (b) collapsed ductwork.

2. AHS is not responsible for providing or closing access to covered items except as noted in Sections D.1. and E.3.

3. You may be charged an additional fee by the Service Contractor to dispose of an old appliance, system or component, including, but not limited to the following items: condensing units, evaporator coils, compressors, capacitors, refrigerators, freezers, water heaters, and any system or appliance which contains dangerous or hazardous materials.

4. AHS is not liable for restoration of any wall coverings, floor coverings, cabinets, counter tops, tiling, paint, or the like, nor the repair of any cosmetic defects.

5. AHS is not responsible for electronic or computerized home management systems including, but not limited to, energy, lighting, security, appliances, entertainment, comfort or audio systems.

6. AHS is not responsible or liable for secondary, incidental and/or consequential loss or damage resulting from the malfunction of any covered item including, but not limited to, food spoilage, loss of income, utility bills, additional living expenses, personal and/or property damage, or authorized contractor's service or delay in service.

7. AHS is not responsible or liable for any delay in service or failure to provide service caused by conditions beyond its control, including, but not limited to, delays in obtaining, or shortages of, parts and/or equipment, or labor difficulties.

8. AHS is not responsible or liable for repair of conditions or replacement caused by chemical or sedimentary build up, misuse or abuse, failure to clean or maintain, missing parts, structural changes, fire, freezing, electrical failure or surge, water damage, lightning, mud, earthquake, soil movement, storms, accidents, pet damage, pest damage, acts of God, or failure due to excessive or inadequate water pressure.

9. AHS has the sole right to determine whether a covered system or appliance will be repaired or replaced. AHS is responsible for installing replacement equipment of similar features, capacity, and efficiency, but not for matching dimensions, brand or color. Except when repairing or upgrading covered systems to maintain compatibility with equipment manufactured to be 13 SEER or 7.7 HSPF compliant, or compliant with any higher SEER or HSPF requirements, AHS is not responsible or liable for upgrades, components, parts or equipment required due to: (a) the incompatibility of the existing equipment with the replacement system or appliance or component or any part thereof; or (b) any new type of chemical or material utilized to run the replacement equipment including, but not limited to, differences in technology, refrigerant requirements, or efficiency as mandated by federal, state, or local governments. AHS is not responsible or liable for the cost of construction, carpentry, or other modifications made necessary by the existing equipment or installing different equipment.

10. AHS is not responsible or liable for repairs related to inadequacy, lack of capacity, misuse, improper installation, previous repair or design, manufacturer's defect, and any modification to the system or appliance. AHS does not perform routine maintenance. You are responsible for providing maintenance and cleaning on covered items as specified by the manufacturer to ensure continued coverage on such items. For example: heating and air conditioning systems require periodic cleaning and/or replacement of filters and cleaning of evaporator and condenser coils. Water heaters require periodic flushing.

11. AHS reserves the right to obtain a second opinion at its expense.

12. This contract does not cover appliances or systems deemed or classified by the manufacturer as commercial.

13. AHS is not responsible for any repair, replacement, installation, or modification of any covered system, appliance, or component or part thereof: (a) that has been, or is, determined to be defective by the Consumer Product Safety Commission or the manufacturer; (b) that a manufacturer has issued, or issues, a warning or recall; (c) that has a malfunction caused by the manufacturer's improper design, use of improper materials, formula, manufacturing process or other manufacturing defect; or (d) while still under an existing manufacturer's, distributor's, or in-home warranty.

14. AHS reserves the right to provide pre-approved reimbursement of itemized costs or cash back in lieu of repair or replacement. Both pre-approved reimbursement of itemized costs and cash back in lieu of repair or replacement will be based on what AHS would ordinarily expect to pay for the same parts and labor, which may be less than retail or your actual cost. Acceptable proof of your actual itemized costs must be provided to AHS before any reimbursement amount may be paid.

15. AHS reserves the right to rebuild a part or component, or replace with a rebuilt part or component.

16. AHS is not under any circumstances liable for the diagnosis, repair, removal or remediation of mold, mildew, bio-organic growth, rot or fungus, or any damages resulting from or related to mold, mildew, rot or fungus, even when caused by or related to the malfunction, repair or replacement of a covered system or appliance.

17. AHS will not contract to perform service nor pay costs involving hazardous or toxic materials including, but not limited to, asbestos, mold, lead paint, and sanitation of sewage spills, nor will it pay costs related to recapture or disposal of refrigerants, contaminants, hazardous, or toxic materials.

18. This contract does not cover fees associated with use of cranes needed to install or remove any equipment located on the roof top.
 19. AHS is not responsible for like-for-like replacement of appliances if the appliance contains any features that do not contribute to the appliance's primary function including, without limitation, TVs or radios in refrigerators.

H. LAWS, REGULATIONS AND CODE REQUIREMENTS

Except when repairing or upgrading covered systems to maintain compatibility with equipment manufactured to be 13 SEER or 7.7 HSPF compliant, or compliant with any higher SEER or HSPF requirements, AHS is not responsible for any upgrades, work, testing or costs required to comply with any federal, state, or local laws, regulations or ordinances or utility regulations, or to meet current building or zoning code requirements, or to correct for code violations. AHS is not responsible for service when permits cannot be obtained, nor will it pay any costs relating to permits. AHS' policy is to abide by all current federal, state, and local laws, regulations and guidelines. AHS will not be responsible for any liability arising from repairs or replacements that violate any such laws, regulations, or guidelines.

I. MULTIPLE UNITS AND INVESTMENT PROPERTY

1. If this contract is for a duplex, triplex, or fourplex dwelling, then all unit(s) within such dwelling must be covered by one AHS contract for protection to apply to common systems. Should any unit within such dwelling not be covered as part of the one AHS contract, then AHS is not liable for common systems or appliances.
2. If this contract is for a dwelling within a multiple unit of five (5) dwelling units or more, then only items contained within the confines of each individual unit are covered. Common systems and appliances are not covered.
3. Except as otherwise provided in this section, common systems and appliances are not covered.

J. TRANSFER OF CONTRACT AND RENEWALS

1. If the covered property changes ownership during the contract term, please call the Sales phone number on the Contract Agreement page for further information to transfer coverage to the new owner.
2. This contract may be renewed at the option of AHS. In that event, you will be notified of the prevailing rates and terms for renewal.

K. CANCELLATION

- A. This contract may be cancelled by the contract holder within the first 30 days following the Effective Date, unless otherwise mutually agreed upon by AHS and contract holder. In such cases, this contract shall be deemed void and the provider of funds shall be entitled to a full refund of the paid contract fees less any service (and claims) costs incurred by AHS.
- B. This contract shall be non-cancelable by AHS, except: (1) for nonpayment of contract fees; (2) for fraud or misrepresentation of facts material to the issuance of this contract; (3) when the contract is for listing coverage and close of sale (escrow) does not occur, if applicable; or (4) upon mutual agreement of AHS and the contract holder. If AHS cancels or agrees to allow the contract holder to cancel after the 30th day, then the provider of funds shall be entitled to a pro rata refund of the paid contract fees for the unexpired term, less: (a) an administrative fee of up to \$35; and (b) any service (and claims) costs incurred by AHS (collectively, the "Cancellation Fees"). A 10% monthly penalty shall be added to refunds not paid or credited within 45 days after the return of this contract to AHS.
- C. If the contract fees are billed through a mortgage loan that is later sold or paid in full, then uninterrupted coverage can be arranged by immediately calling (800) 247-4749 to establish an alternate payment method. This contract will be deemed cancelled if the contract holder fails to initiate such payment arrangements within 30 days (or such other time period for notice to the contract holder as set forth below). The law in the contract holder's state (i.e. where residence is located) may revise this cancellation section. Therefore, the

following provisions expressly modify the specific cancellation language set forth above:

SOUTH CAROLINA residents only:

- A. This contract may be cancelled by the contract holder within the first 30 days following the Effective Date, unless otherwise mutually agreed upon by AHS and contract holder. In such cases, this contract shall be deemed void and the provider of funds shall be entitled to a full refund of the paid contract fees less any service (and claims) costs incurred by AHS.
- B. This contract shall be non-cancelable by AHS, except: (1) for nonpayment of contract fees; (2) for fraud or misrepresentation of facts material to the issuance of this contract; (3) when the contract is for listing coverage and close of sale (escrow) does not occur, if applicable; or (4) upon mutual agreement of AHS and the contract holder. If AHS cancels or agrees to allow the contract holder to cancel after the 30th day, then the provider of funds shall be entitled to a pro rata refund of the paid contract fees for the unexpired term, less: (a) an administrative fee of up to \$35; and (b) any service (and claims) costs incurred by AHS (collectively, the "Cancellation Fees"). A 10% monthly penalty shall be added to refunds not paid or credited within 45 days after the return of this contract to AHS. If AHS cancels this contract, AHS shall mail a written notice to the contract holder that states the effective date of cancellation at least 15 days prior to the cancellation and the reason for the cancellation.
- C. If the contract fees are billed through a mortgage loan that is later sold or paid in full, then uninterrupted coverage can be arranged by immediately calling (800) 247-4749 to establish an alternate payment method. This contract will be deemed cancelled if the contract holder fails to initiate such payment arrangements within 30 days.

L. MISCELLANEOUS

SOUTH CAROLINA residents only:

Obligations of the provider under this service contract are backed by the full faith and credit of the provider. Questions or complaints may be registered with the South Carolina Department of Insurance, P.O. Box 100105, Columbia, South Carolina 29202, (800) 768-3467.

EXHIBIT C

JUL-17-2007 08:47

REALTYSOUTH

P.O. BOX 94311

BIRMINGHAM, AL 35220-4311
(205) 680-5066

P.01/21

2781

NAME LAURA STEVENS FAUGHT		JOB LOCATION 6924 MOUNTAIN VIEW		PHONE 11/16/06	
STREET 69		CITY 69		STATE AL	
ZIP 35220		MAKE DAVID		MODEL 11/16/06	
WARRANTY <input type="checkbox"/> RESIDENTIAL <input type="checkbox"/> COMMERCIAL		WARRANTY <input type="checkbox"/> RESIDENTIAL <input type="checkbox"/> COMMERCIAL		SERIAL NUMBER 11/16/06	

QTY.	PARTS DESCRIPTION	PRICE	DESCRIPTION OF WORK
			Check Furnace
			Check A/C
			BOTH IN GOOD OPERATING
			CONDITION
			Checked - 9:27 AM.
NOTE: FILTER NEEDS TO BE REPLACED			
11/25/06			
PAYMENTS DUE 30 DAYS PLEASE			
PARTS TOTAL		LABOR CHARGES	
85.00		85.00	

ENVIRONMENT	CHECK	LIST
REFRIG.	QTY. _____	CHANGED OUT (OR REPLACED)? <input type="checkbox"/> YES <input type="checkbox"/> NO
RECOVERED?	QTY. _____	DIS-MANTLED? <input type="checkbox"/> YES <input type="checkbox"/> NO
RECYCLED?	QTY. _____	REFRIGERANT DISPOSAL
RECLAIMED?	QTY. _____	OUR PERSONNEL RECOMMEND:
RETURNED TO THIS SYSTEM?	QTY. _____	
DISPOSAL	QTY. _____	
NON USEABLE	QTY. _____	
DISPOSAL	QTY. _____	

PARTS WARRANTY AS PER	THAT IS REQUIRED BY	WARRANTY
RECOVERED?	QTY. _____	RECOVERED?
RECYCLED?	QTY. _____	RECYCLED?
RECLAIMED?	QTY. _____	RECLAIMED?
RETURNED TO THIS SYSTEM?	QTY. _____	RETURNED TO THIS SYSTEM?
DISPOSAL	QTY. _____	DISPOSAL
NON USEABLE	QTY. _____	NON USEABLE
DISPOSAL	QTY. _____	DISPOSAL

TRAVEL TIME	RELEASE	TOTAL
		85.00

I HAVE THE AUTHORITY TO ORDER THE ABOVE WORK AND DO SO ORDER AS OUTLINED ABOVE. IT IS AGREED THAT THE SELLER WILL RETAIN TITLE TO ANY EQUIPMENT OR MATERIAL FURNISHED UNTIL FINAL AND COMPLETE PAYMENT IS MADE. AND IF SETTLEMENT IS NOT MADE AS AGREED, THE SELLER SHALL HAVE THE RIGHT TO REMOVE SAME, AND THE BUYER WILL BE HELD HARMLESS FOR ANY DAMAGES RESULTING FROM THE REMOVAL THEREOF.

11/16/06
TOTAL P.01

07/24/2007 07:07

2059492229

DANNYROMINE

PAGE 10/16

EXHIBIT D

Contract Agreement

OWNER:

Steven Faught
6924 Mountain View Dr. NE
Pinson, AL 35126-3026

ANNUAL RATE:
CONTRACT TERM:
CONTRACT NUMBER:
COVERED PROPERTY:

\$ 419.00
12/12/2006 - 12/12/2007
80424851
6924 Mountain View Dr. NE
Pinson, AL 35126
Single Family Residence under 5,000 sq.ft.
1 Payment

DWELLING TYPE:
PAYMENT SELECTED:

**Your home warranty protects all of these important
home systems and appliances:**

AIR CONDITIONING
GARBAGE DISPOSAL
RANGE/OVEN

DISHWASHER
BUILT-IN MICROWAVE
COOKTOP

DUCTWORK
HEATING
TRASH COMPACTOR

ELECTRICAL SYSTEM
PLUMBING
WATER HEATER

**For added assurance, you may protect any of the following for
a modest fee by phoning 1-800-247-4749.**

POOL/SPA COMMON EQUIPMENT
ADDITIONAL SPA

POOL ONLY
CLOTHES WASHER

REFRIGERATOR
CLOTHES DRYER

SPA ONLY
WELL PUMP

Request Service 24 hours a day 7 days a week:

⑆ www.ahsservice.com

1-800-776-4663 ⑆

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2. Upon request for service, AHS will contact a Service Contractor within four (4) hours during normal business hours and forty-eight (48) hours on weekends and holidays. The Service Contractor will promptly contact you to schedule a mutually convenient appointment during normal business hours. AHS will determine what repairs constitute an emergency and will make reasonable efforts to expedite emergency service. If you should request AHS to perform non-emergency service outside of normal business hours, you will be responsible for payment of additional fees, including overtime. AHS has the right to select the Service Contractor, which may be a service company affiliated with AHS, to perform the service. AHS will not reimburse for services performed without its prior approval.

4. You will pay \$55 for each trade service call, or the actual cost, whichever is less. Additional charges may apply to certain repairs and replacements. The trade service call fee is for each call dispatched and scheduled to be run (except as noted in Section C.6.) including, but not limited to, trade service calls wherein coverage is (in whole or in part) granted, excluded, limited or denied. Please note: the trade service call fee applies to the event you fail to be present at the scheduled time of the trade service call or in the event you cancel a call at the time the Service Contractor is en route to your home or the Service Contractor has already arrived at your home. The trade service call fee will be due and payable to the Service Contractor (or to AHS) at the time of the scheduled trade service call. AHS will not respond to any now requests for service until any previous outstanding trade service call fees are paid in full.

5. At the time the work begins and at appropriate times thereafter, certain repairs and replacements may require you to allow a state or local building inspector access to your home. Failure to pay any required permit fee or to allow access to your home for the building inspector will result in suspension of coverage (for that specific repair or replacement) until such time as the permit fee is paid (as applicable). At that time, coverage will be reinstated; however, the contract term will not be extended.

6. If service work performed under this contract should fail, AHS will make the necessary repairs without an additional trade service call fee for a period of 90 days on parts and 30 days on labor.

D. COVERED SYSTEMS AND APPLIANCES

The following systems and appliances are covered for the home seller and home buyer. Certain limitations of liability apply to covered systems and appliances (see Sections A and I.1).

1. PLUMBING SYSTEM

COVERED: Leaks and breaks of water, drain, gas, waste or vent lines, except if caused by freezing or roots. Toilet tanks, bowls and related mechanisms (builder's standard is used when replacement is necessary). Toilet wax ring seals. Valves for shower, tub, and diverter angle stops, risers and gate valves. Permanently installed sump pumps (ground water only). Built-in bathtub whirlpool motor and pump assemblies.

NOT COVERED: Sloppages - Collapse or damage to water, drain, gas, waste or vent lines caused by freezing or roots. Faucets and fixtures - Bathtubs and showers. Shower enclosures and base pans - Sinks - Toilet bids and seats - Caulking or grouting - Siphon tanks - Water softeners - Pressure regulators - Inadequate or excessive water pressure - Flow restrictions in fresh water lines caused by rust corrosion or chemical deposits - Sewage ejector pumps - Holding or storage tanks - Sumps or steam rooms - Hose bibs - Whirlpool jets.

NOTE: Where covered repairs require access to plumbing systems, AHS will only provide access to plumbing systems through unobstructed walls, ceilings or floors, and will return access openings to a rough finish. Obstructions include, without limitation, built-in appliances, systems, cabinets, and floor coverings. AHS will cover up to \$500 for access, diagnosis, repair or replacement (including returning access openings to a rough finish) to any portion of a plumbing system that is inaccessible because of concrete.

A. COVERAGE

1. During the coverage period, AHS will arrange for an AHS authorized service contractor (Service Contractor) to repair or replace the systems and appliances stated as covered in accordance with the terms and conditions of this contract so long as the systems and appliances are located within the confines of the main foundation of the house or attached or detached garage (with the exception of the exterior well pump, air conditioner, and pool and/or spa equipment, if selected).

B. Become inoperative due to normal wear and tear.

C. Are in good working order on the Effective Date of this contract (as defined below), and

D. Are properly maintained and installed throughout the term of the contract for proper diagnosis.

2. This contract only covers single family resale homes and condominiums from homes (including manufactured housing) under 5,000 square feet, unless an alternative dwelling type (i.e. 5,000 square foot up to 10,000 square foot, or multiple units) is applied for by calling the sales phone number on the Contract Agreement page and the appropriate fee is paid. Coverage is for owned or rented residential property, not commercial property or residences used as businesses, including, but not limited to, day care centers, fraternity/sorority houses, and nursing care homes.

3. This contract describes the basic coverage and options available for domestic grade appliances and systems. Domestic grade items are those that were manufactured and marketed solely for installation and use in a residential family dwelling. For the specific coverage selection only the items stated as covered and excluded in this contract. Please read your contract carefully.

B. CONTRACT TERM

1. Seller's coverage for the listing and sale (escrow) period starts upon issuance of a contract number by AHS (Effective Date), and continues for 180 days or close of sale (escrow) or termination of listing (whichever occurs first). In the event that close of sale (escrow) does not occur in such 180-day period, AHS may, in its sole discretion, extend the seller's coverage period. If the application is received as a telephone or web application, then coverage will start immediately upon issuance of a contract number by AHS. Seller's coverage includes systems and appliances in Section I) only, and excludes all others, unless the Heating, Air Conditioning, and Ductwork (HVAC) option is purchased.

2. Buyer's coverage begins at close of sale (escrow), provided plan fee is paid to AHS (Effective Date), and continues for one (1) year after close of sale (escrow). Any payments made by AHS during the seller's coverage period (if applicable) for the repair or replacement of any covered item shall apply against any "per contract" or "per covered item" dollar limitations set forth herein. Any exclusion, denial or suspension of service made by AHS during the seller's coverage period of any covered item shall apply against the buyer's coverage as set forth herein unless such item is repaired or replaced.

3. Case option coverage (available for lessee only) begins upon receipt of application and contract fees by AHS and continues for one (1) full year.

C. CUSTOMER SERVICE - TO REQUEST SERVICE CALL:

1-800-776-4663 OR VISIT www.ahs-service.com

1. You must notify AHS for work to be performed under this contract as soon as the problem is discovered. AHS will accept service calls 24 hours a day, 7 days a week at 1-800-776-4663 or online at www.ahs-service.com. Notice of any service request must be given to AHS prior to expiration of this contract.

2. WATER HEATER (Gas, Electric, or Oil)

COVERED: All components and parts, including circulating pumps, except:

NOT COVERED: Solar water heaters - Solar components - Ancillary holding or storage tanks - Noise - Fuel storage tank and energy conservation unit - Flues and vents - Thermal expansion tanks - Instant hot water dispenser.

3. ELECTRICAL SYSTEM

COVERED: All components and parts, including built-in exhaust fans, except:

NOT COVERED: Fridges - Door bells - Alarms - Intercom or speaker systems - Central vacuum systems - Audio/video/computer wiring or cable - Telephone wiring - Inadequate wiring capacity - Power failure or surge - Garage door opener - Direct current (D.C.) wiring or components and/or low voltage systems including wiring and relays - Circuit overload.

4. DISHWASHER

COVERED: All components and parts, except:

NOT COVERED: Racks - Baskets - Rollers.

5. GARBAGE DISPOSAL

COVERED: All components and parts, including entire unit.

6. BUILT-IN MICROWAVE OVEN

COVERED: All components and parts, except:

NOT COVERED: Interior linings - Door glass - Shelves - Portable or counter top units - Meat probe assemblies - Rotisseries - Clocks.

7. RANGE/OVEN/COOKTOP (Gas or Electric)

COVERED: All components and parts, except:

NOT COVERED: Clocks (unless they affect the function of the oven) - Meat probe assemblies - Rotisseries - Racks - Handles - Knobs - Scissors - heat burners will only be replaced with standard burners.

8. TRASH COMPACTOR

COVERED: All components and parts, except:

NOT COVERED: Lock and key assemblies - Removable buckets.

E. ADDITIONAL COVERAGE FOR THE HOME BUYER**OPTIONAL COVERAGE FOR THE HOME SELLER**

NOTE FOR SELLER: Optional HVAC coverage fee of \$70 is due at the closing, expiration of listing, or cancellation, whichever occurs first. The following items in Section E are subject to a combined \$1,500 maximum coverage limitation during the listing period. Limitation of liability specified in Sections A and G shall apply.

1. HEATING SYSTEM OR BUILT-IN WALL UNIT (Gas, Electric, or Oil if main source of heat to the home)

NOTE: Coverage available on heating and/or cooling systems not exceeding a five (5) ton capacity and designed for residential application.

COVERED: Heating systems including: heat pump, metering devices (i.e. thermal expansion valves), furnace, furnace transition, evaporator coils and drain lines, air handling unit, air handling transition, secondary drain pan and lines, and refrigerant lines are covered. Any of the foregoing covered components as well as plenum, indoor electrical, and duct connections are also covered when AHS determines that upgrading a heating system is required to maintain compatibility with equipment manufactured to be 13 SEER (Seasonal Energy Efficiency Ratio) and 7.7 HSPF (Heating Seasonal Performance Factor) compliant, or compliant with higher SEER or HSPF requirements.

NOT COVERED: All components and parts relating to geothermal, water source heat pumps including: outside or underground piping, components for geothermal and/or water source heat pumps, redrilling of wells for geothermal and/or water source heat pumps, and well pump and well pump components for geothermal and/or water source heat pumps - Baseboard casings - Fuel storage tanks - Portable units - Solar heating systems - Fireplaces and key valves - Filters - Registers - Grills - Clocks - Tuners - Heat lamps - Humidifiers - Flues and vents - Improperly sized heating systems - Chimneys - Pellet stoves - Cable heat (in ceiling) - Wood stoves (even if only source of heating) - Systems with improperly matched condensing unit and evaporative coil

per manufacturer's specifications - Improper use of metering devices (i.e. thermal expansion valves).

NOTE BUYER ONLY: AHS will pay no more than \$1,500 per covered item per contract term for access, diagnosis and repair or replacement of any glycol, hot water or steam circulating heating system.

2. AIR CONDITIONING/COOLER

NOTE: Coverage available on heating and/or cooling systems not exceeding a five (5) ton capacity and designed for residential application.

COVERED: Ducted electric wall air conditioning systems - Water evaporative cooler systems - Ducted electric central air conditioning systems including: condenser, metering devices (i.e. thermal expansion valves), furnace transition, evaporator coils and drain lines, air handling unit, air handling transition, secondary drain pan and lines, and refrigerant lines are covered. Any of the foregoing covered components as well as plenum, indoor electrical, and duct connections are also covered when AHS determines that upgrading a ducted electric central air conditioning system is required to maintain compatibility with equipment manufactured to be 13 SEER (Seasonal Energy Efficiency Ratio) and 7.7 HSPF (Heating Seasonal Performance Factor) compliant, or compliant with higher SEER or HSPF requirements.

NOT COVERED: Gas air conditioning systems - Condenser casings - Registers and grills - Filters - Electronic air cleaners - Window units - Non-ducted wall units - Water towers - Humidifiers - Roof jacks or stands - Evaporative cooler pads - Flues - Vents - Improperly sized air conditioning unit - Chillers and chiller components - Systems with improperly matched condensing unit and evaporative coil per manufacturer's specifications - Improper use of metering devices (i.e. thermal expansion valves).

3. DUCTWORK

COVERED: Ducts from heating and/or cooling unit to point of attachment at registers or grills and flex ductwork.

NOT COVERED: Registers or grills - Insulation - Asbestos-insulated ductwork - Dampers - Improperly sized ductwork - Diagnostic testing of, or locating leaks to ductwork, including, without limitation, as required by any federal, state or local law, regulation, or ordinance, or when required due to the installation or replacement of system equipment.

NOTE: Where covered repairs require access to ductwork, AHS will only provide access to, and sealing of ductwork through unobstructed walls, ceilings or floors, and will return access openings to a rough finish. Obstructions include, without limitation, built-in appliances, systems, cabinets, and floor coverings. If the ductwork is accessible only through a concrete floor, wall or ceiling, AHS will cover up to \$500 for access to, sealing of other repair to, or replacement of such ductwork, including returning access openings to a rough finish. If any ductwork that is inaccessible due to concrete or other obstructions requires repair or replacement as a result of diagnostic testing, AHS will not cover such repair or replacement.

F. OPTIONAL COVERAGE FOR THE HOME BUYER (AVAILABLE UPON PAYMENT OF ADDITIONAL CONTRACT FEE.)

NOTE: Home buyer may purchase any optional coverage for up to 30 days after the Effective Date (see Section B). However, coverage shall not commence until receipt of payment by AHS and such coverage shall expire upon expiration of contract term in Section B. Limitations of liability specified in Sections A and G shall apply.

1. POOL AND/OR SPA EQUIPMENT (excludes portable or above ground spas)

COVERED: Both pool and built-in spa equipment (exterior hot tub and whirlpool) are covered if they utilize common equipment. If they do not utilize common equipment, then only one or the other is covered unless an additional fee is paid. Coverage applies to above ground, accessible, working components and parts of the heating, pumping,

and filtration system as follows: Heater - Pump - Motor - Filter - Filter timer - Gaskets - Blower - Timer - Valves, limited to back flush, actuator, check, 2-way and 3-way valves - Relays and switches - Pool sweep motor and pump - Above ground plumbing pipes and wiring.

NOT COVERED: Lights - Liners - Structural defects - Solar equipment - Jets - Ornamental fountains, waterfalls and their pumping systems - Pool cover and related equipment - Fill line and fill valves - Built-in or detachable cleaning equipment such as, but not limited to, pool sweeps, pop-up heads, turbo valves, skimmers, chlorinators, and ionizers - Fuel storage tanks - Disposable filtration mediums - Heat pump - Portable or above ground spas - Multi-media centers

2. ONE KITCHEN REFRIGERATOR (must be located in the Kitchen)

COVERED: All components and parts, except:

NOT COVERED: Racks - Shelves - Drawers - Ice makers, ice crushers, beverage/water dispensers and their respective equipment - Interior thermal shells - Food spoilage - Freezers which are not an integral part of the refrigerator - Multi-media center.

WASHER/DRYER PACKAGE:

3a. CLOTHES WASHER

COVERED: All components and parts, except

NOT COVERED: Plastic mini-tubs - Soap dispensers - Filter screens - Knobs and dials - Damage to clothing - Drawers.

3b. CLOTHES DRYER (Gas or Electric)

COVERED: All components and parts, except:

NOT COVERED: Venting - Lint screens - Knobs and dials - Dryer cabinet fragrance/humidity cafter, hangers, shelves, rods, hooks, and cabinet liner - Damage to clothing - Racks - Drawers.

4. WELL PUMP

COVERED: All components and parts of well pump utilized as the main source of water to the home, except:

NOT COVERED: Above or underground piping, cable or electrical lines leading to or from the well pump, including those that are located within the well casing - Well casings - Pressure switches not located on the pump - Holding, storage or pressure tanks - Booster pumps - Redrilling of wells - Well pump and well pump components for geothermal and/or water source heat pumps - Above or underground piping, cable or electrical lines for geothermal and/or water source heat pumps, including those that are located within the well casing.

NOTE: AHS will pay no more than \$1,500 per contract term for access, diagnosis and repair or replacement.

G. LIMITATIONS OF LIABILITY

1. The following are not covered for the home seller or for the first 30 days after the Effective Date (see Section B) for the home buyer: (a) malfunction or improper operation due to rust or corrosion of appliances, heating systems (including built-in wall units or heat pumps), and/or air conditioning systems/coolers or pools/spas; (b) collapsed ductwork.

2. AHS is not responsible for providing or closing access to covered items except as noted in Sections D.1. and E.3.

3. You may be charged an additional fee by the Service Contractor to dispose of an old appliance, system or component, including, but not limited to the following items: condensing units, evaporator coils, compressors, capacitors, refrigerators, freezers, water heaters, and any system or appliance which contains dangerous or hazardous materials.

4. AHS is not liable for restoration of any wall coverings, floor coverings, cabinets, counter tops, tiling, paint, or the like, nor the repair of any cosmetic defects.

5. AHS is not responsible for electronic or computerized home management systems including, but not limited to, energy, lighting, security, appliances, entertainment, comfort or audio systems.

6. AHS is not responsible or liable for secondary, incidental and/or consequential loss or damage resulting from the malfunction of any covered item including, but not limited to, food spoilage, loss of income, utility bills, additional living expenses, personal and/or property damage, or authorized contractor's service or delay in service.

7. AHS is not responsible or liable for any delay in service or failure to provide service caused by conditions beyond its control, including, but not limited to, delays in obtaining, or shortages of, parts and/or equipment, or labor difficulties.

8. AHS is not responsible or liable for repair of conditions or replacement caused by chemical or sedimentary build up, misuse or abuse, failure to clean or maintain, missing parts, structural changes, fire, freezing, electrical failure or surge, water damage, lightning, mud, earthquake, soil movement, storms, accidents, pet damage, pest damage, acts of God, or failure due to excessive or inadequate water pressure.

9. AHS has the sole right to determine whether a covered system or appliance will be repaired or replaced. AHS is responsible for installing replacement equipment of similar features, capacity, and efficiency, but not for matching dimensions, brand or color. Except when repairing or upgrading covered systems to maintain compatibility with equipment manufactured to be 13 SEER or 7.7 HSPF compliant, or compliant with any higher SEER or HSPF requirements, AHS is not responsible or liable for upgrades, components, parts or equipment required due to: (a) the incompatibility of the existing equipment with the replacement system or appliance or component or any part thereof; or (b) any new type of chemical or material utilized to run the replacement equipment including, but not limited to, differences in technology, refrigerant requirements, or efficiency as mandated by federal, state, or local governments. AHS is not responsible or liable for the cost of construction, carpentry, or other modifications made necessary by the existing equipment or installing different equipment.

10. AHS is not responsible or liable for repairs related to inadequacy, lack of capacity, misuse, improper installation, previous repair or design, manufacturer's defect, and any modification to the system or appliance. AHS does not perform routine maintenance. You are responsible for providing maintenance and cleaning on covered items as specified by the manufacturer to ensure continued coverage on such items. For example: heating and air conditioning systems require periodic cleaning and/or replacement of filters and cleaning of evaporator and condenser coils. Water heaters require periodic flushing.

11. AHS reserves the right to obtain a second opinion at its expense.

12. This contract does not cover appliances or systems deemed or classified by the manufacturer as commercial.

13. AHS is not responsible for any repair, replacement, installation, or modification of any covered system, appliance, or component or part thereof: (a) that has been, or is, determined to be defective by the Consumer Product Safety Commission or the manufacturer; (b) that a manufacturer has issued, or issues, a warning or recall; (c) that has a malfunction caused by the manufacturer's improper design, use of improper materials, formula, manufacturing process or other manufacturing defect; or (d) while still under an existing manufacturer's, distributor's, or in-home warranty.

14. AHS reserves the right to provide pre-approved reimbursement of itemized costs or cash back in lieu of repair or replacement. Both pre-approved reimbursement of itemized costs and cash back in lieu of repair or replacement will be based on what AHS would ordinarily expect to pay for the same parts and labor, which may be less than retail or your actual cost. Acceptable proof of your actual itemized costs must be provided to AHS before any reimbursement amount may be paid.

15. AHS reserves the right to rebuild a part or component, or replace with a rebuilt part or component.

16. AHS is not under any circumstances liable for the diagnosis, repair, removal or remediation of mold, mildew, bio-organic growth, rot or fungus, or any damages resulting from or related to mold, mildew, rot or fungus, even when caused by or related to the malfunction, repair or replacement of a covered system or appliance.

17. AHS will not contract to perform service nor pay costs involving hazardous or toxic materials including, but not limited to, asbestos, mold, lead paint, and sanitation of sewage spills, nor will it pay costs related to recapture or disposal of refrigerants, contaminants, hazardous, or toxic materials.

18. This contract does not cover fees associated with use of cranes needed to install or remove any equipment located on the roof top.
 19. AHS is not responsible for like-for-like replacement of appliances if the appliance contains any features that do not contribute to the appliance's primary function including, without limitation, TVs or radios in refrigerators.

H. LAWS, REGULATIONS AND CODE REQUIREMENTS

Except when repairing or upgrading covered systems to maintain compatibility with equipment manufactured to be 13 SEER or 7.7 HSPF compliant, or compliant with any higher SEER or HSPF requirements, AHS is not responsible for any upgrades, work, testing or costs required to comply with any federal, state, or local laws, regulations or ordinances or utility regulations, or to meet current building or zoning code requirements, or to correct for code violations. AHS is not responsible for service when permits cannot be obtained, nor will it pay any costs relating to permits. AHS' policy is to abide by all current federal, state, and local laws, regulations and guidelines. AHS will not be responsible for any liability arising from repairs or replacements that violate any such laws, regulations, or guidelines.

I. MULTIPLE UNITS AND INVESTMENT PROPERTY

1. If this contract is for a duplex, triplex, or fourplex dwelling, then all unit(s) within such dwelling must be covered by one AHS contract for protection to apply to common systems. Should any unit within such dwelling not be covered as part of the one AHS contract, then AHS is not liable for common systems or appliances.
2. If this contract is for a dwelling within a multiple unit of five (5) dwelling units or more, then only items contained within the confines of each individual unit are covered. Common systems and appliances are not covered.
3. Except as otherwise provided in this section, common systems and appliances are not covered.

J. TRANSFER OF CONTRACT AND RENEWALS

1. If the covered property changes ownership during the contract term, please call the Sales phone number on the Contract Agreement page for further information to transfer coverage to the new owner.
2. This contract may be renewed at the option of AHS. In that event, you will be notified of the prevailing rates and terms for renewal.

K. CANCELLATION

A. This contract may be cancelled by the contract holder within the first 30 days following the Effective Date, unless otherwise mutually agreed upon by AHS and contract holder. In such cases, this contract shall be deemed void and the provider of funds shall be entitled to a full refund of the paid contract fees less any service (and claims) costs incurred by AHS.

B. This contract shall be non-cancelable by AHS, except: (1) for nonpayment of contract fees; (2) for fraud or misrepresentation of facts material to the issuance of this contract; (3) when the contract is for listing coverage and close of sale (escrow) does not occur, if applicable; or (4) upon mutual agreement of AHS and the contract holder. If AHS cancels or agrees to allow the contract holder to cancel after the 30th day, then the provider of funds shall be entitled to a pro rata refund of the paid contract fees for the unexpired term, less: (a) an administrative fee of up to \$35; and (b) any service (and claims) costs incurred by AHS (collectively, the "Cancellation Fees"). A 10% monthly penalty shall be added to refunds not paid or credited within 45 days after the return of this contract to AHS.

C. If the contract fees are billed through a mortgage loan that is later sold or paid in full, then uninterrupted coverage can be arranged by immediately calling (800) 247-4749 to establish an alternate payment method. This contract will be deemed cancelled if the contract holder fails to initiate such payment arrangements within 30 days (or such other time period for notice to the contract holder as set forth below). The law in the contract holder's state (i.e. where residence is located) may revise this cancellation section. Therefore, the

following provisions expressly modify the specific cancellation language set forth above:

SOUTH CAROLINA residents only:

A. This contract may be cancelled by the contract holder within the first 30 days following the Effective Date, unless otherwise mutually agreed upon by AHS and contract holder. In such cases, this contract shall be deemed void and the provider of funds shall be entitled to a full refund of the paid contract fees less any service (and claims) costs incurred by AHS.

B. This contract shall be non-cancelable by AHS, except: (1) for nonpayment of contract fees; (2) for fraud or misrepresentation of facts material to the issuance of this contract; (3) when the contract is for listing coverage and close of sale (escrow) does not occur, if applicable; or (4) upon mutual agreement of AHS and the contract holder. If AHS cancels or agrees to allow the contract holder to cancel after the 30th day, then the provider of funds shall be entitled to a pro rata refund of the paid contract fees for the unexpired term, less: (a) an administrative fee of up to \$35; and (b) any service (and claims) costs incurred by AHS (collectively, the "Cancellation Fees"). A 10% monthly penalty shall be added to refunds not paid or credited within 45 days after the return of this contract to AHS. If AHS cancels this contract, AHS shall mail a written notice to the contract holder that states the effective date of cancellation at least 15 days prior to the cancellation and the reason for the cancellation.

C. If the contract fees are billed through a mortgage loan that is later sold or paid in full, then uninterrupted coverage can be arranged by immediately calling (800) 247-4749 to establish an alternate payment method. This contract will be deemed cancelled if the contract holder fails to initiate such payment arrangements within 30 days.

L. MISCELLANEOUS

SOUTH CAROLINA residents only:

Obligations of the provider under this service contract are backed by the full faith and credit of the provider. Questions or complaints may be registered with the South Carolina Department of Insurance, P.O. Box 100105, Columbia, South Carolina 29202, (800) 768-3467.

Get to know your Home Warranty Plan

To get the most out of your AHS Home Warranty, please read the following sample contract. We want you to realize the full value of your home warranty plan and the coverage provided. Make sure you know what your home warranty covers and what it doesn't. Your home warranty does not cover all systems and appliances and coverage varies from state to state. So, please read your contract carefully to see what's covered and what's not. Some of the most common customer inquiries are below.

Conditions that may result in a DENIAL.



Lack of maintenance of your appliance or home system will result in a denial of service. **Improper installation** of an item that results in damage will result in a denial of service. **Unusual wear and tear** caused by negligence or mistreatment will result in a denial of service. **Code violations** of a home system or structure such as outdated electrical or faulty plumbing may result in a denial of service or incur additional costs.

Some examples of services which are NOT COVERED.



Wood stoves, even if only source of heating as well as **fireplaces**, **key valves**, and **chimneys** are not covered. Common electrical breakdowns such as **power failure/surge** and **circuit overload** are not covered. Optional pool accessories such as **pool liners**, **ornamental fountains** and **waterfalls** are also not covered.

AHS is NOT LIABLE for hazardous materials.



AHS is not liable for the diagnosis, repair, removal or any damages resulting from **mold**, **mildew**, **bio-organic growth**, **rot or fungus**, even when caused by or related to the malfunction, repair or replacement of a covered system or appliance. AHS will not contract to perform service nor pay costs involving hazardous or toxic materials such as, **asbestos**, **mold**, **lead paint**, and **sanitation of sewage spills**.

Your satisfaction is guaranteed.

Your home is your most valuable asset.
That's why you have the protection of American Home Shield.

When it breaks, call AHS.

It's that simple. When covered systems and appliances break down from normal wear and tear, American Home Shield will fix them.* In the event your covered system or appliance can't be fixed, AHS will replace the item or provide you cash back in lieu of replacement.*

Simply pay the low trade service call fee of \$55.00

Reliable service from qualified service technicians.

You can relax and have peace of mind that AHS has selected highly qualified service technicians in your local area. AHS service technicians are regularly monitored to make sure they uphold the quality and service AHS is known for.

Request service 24 hours a day, 7 days a week.

Contact AHS anytime, day or night, to request service by visiting www.ahsservice.com or calling toll-free at **1-800-776-4663**.

*Not all systems and appliances are covered. Refer to the enclosed contract for specific coverages, exclusions, and limitations. The trade service call fee applies to the initial visit by a service technician for each covered trade. This initial fee covers any additional technician visits required for the same breakdown within 30 days of the original service date. Additional charges may apply for some repairs and replacements. AHS may provide cash back in lieu of repair or replacement in the actual amount of AHS cost to repair or replace such item, which may be less than retail pricing. Systems and appliances 1) will be replaced with units having comparable features, not necessarily the same dimension, color, and/or brand; 2) must be in good working condition on the effective date of contract; 3) designated by manufacturers as commercial are not covered. Improper maintenance of any covered system or appliance may result in denial of coverage for lack of maintenance.

Satisfaction Guaranteed

American Home Shield guarantees that all approved covered service repairs will be completed to your satisfaction. If for any reason you are not satisfied with the service received, we will work with you until you are satisfied or refund the amount of the trade service call fee.



Say Goodbye to Expensive Repairs

Broken air conditioning or a dying refrigerator doesn't have to drain your monthly budget. Protect your systems and appliances with an American Home Shield® (AHS) Home Warranty, and any time a system or appliance breaks down, it's covered.*

The AHS Home Warranty is an affordable service contract that covers repairs and replacements on all your covered appliances and systems for one year.* Whenever there's a problem, simply call AHS. We'll have a pre-screened, local service technician contact you during normal business hours to schedule a convenient appointment to make the covered repair.

AHS is the oldest and largest home warranty company, and we offer several affordable plans to fit any home and budget need. No home inspection is required, so it's easy to enroll.

To learn more about enrollment, complete this form. >>>

What We Cover

*Not all home systems and appliances are covered. To receive a copy of the contract that details specific coverages, exclusions, and limitations, please call AHS at 1-866-406-0437. The trade service call fee applies for the initial visit by a technician for each covered trade. This initial fee covers any additional technician visits required for the same breakdown within 30 days of the original service date. Additional charges may apply to some repairs and replacements. AHS may provide cash back in lieu of repair or replacement in the amount of AHS actual cost to repair or replace such item, which at times may be less than retail pricing. Systems and appliances 1) will be replaced with units having comparable features, not necessarily the same dimension, color, and/or brand; 2) must be in good working condition of the effective date of contract; 3) designated by the manufacturer as commercial are not covered. Improper maintenance of any covered system or appliance may result in denial of coverage for lack of maintenance. Refer to your contract for state specific cancellation provisions. Offer valid for new AHS customers only purchasing the HomeShieldSM Essential PlanSM or Enhanced PlanSM. Not valid in conjunction with a real estate transaction or current AHS contract renewal.

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[About Us](#)

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Request More Information

Step 1 of 2: Answer a few questions

Why are you most interested in home warranty protection?

- ☐ I won't have to worry about things breaking down
- ☐ To save time and money
- ☐ My appliances will be repaired by reliable experts
- ☐ Other/Not sure

Do you own your home? ☐ Yes ☐ No

Please enter your zip code:

SUBMIT >

Contract Agreement

OWNER:

Steven Fought
6924 Mountain View Dr. NE
Pinson, AL 35126-3026

ANNUAL RATE:
CONTRACT TERM:
CONTRACT NUMBER:
COVERED PROPERTY:

\$ 419.00
12/12/2006 - 12/12/2007
80424851
6924 Mountain View Dr. NE
Pinson, AL 35126
Single Family Residence under 5,000 sq.ft.
1 Payment

DWELLING TYPE:
PAYMENT SELECTED:

**Your home warranty protects all of these important
home systems and appliances:**

AIR CONDITIONING
GARBAGE DISPOSAL
RANGE/OVEN

DISHWASHER
BUILT-IN MICROWAVE
COOKTOP

DUCTWORK
HEATING
TRASH COMPACTOR

ELECTRICAL SYSTEM
PLUMBING
WATER HEATER

**For added assurance, you may protect any of the following for
a modest fee by phoning 1-800-247-4749.**

POOL/SPA COMMON EQUIPMENT
ADDITIONAL SPA

POOL ONLY
CLOTHES WASHER

REFRIGERATOR
CLOTHES DRYER

SPA ONLY
WELL PUMP

Request Service 24 hours a day 7 days a week:

📞 www.ahsservice.com

1-800-776-4663 ☎

FOR SERVICE
 Visit www.ahservice.com
 or call 1-800-776-4663

AHS
 AMERICAN
 HOME SHIELD®

Property At: 6924 Mountain View Dr. NE
 Pinson, AL 35126

Contract No.: 80424851

Effective Date: 12/12/2006

Expires: 12/12/2007


Dear Steven Faught,

Congratulations on owning this protection. This packet contains the details of your home warranty coverage at 6924 Mountain View Dr. NE, Pinson, AL. Instructions on how to request service and answers to some frequently asked questions are included in addition to a complete contract agreement.

Please take a moment to review the information above and make sure it is correct. Then take time to familiarize yourself with the entire AHS Home Warranty.

You're also being issued two warranty service cards for your wallet and files. For your convenience, refer to them whenever you need to make a service request.

With protection like this, we think you'll see why U.S. homeowners choose AHS more than any home warranty company.

Sincerely,

 Steve Burnett
 Chief Marketing Officer

Steven Faught
 6924 Mountain View Dr. NE
 Pinson, AL 35126-3026

Contract No.: 80424851

Effective Date: 12/12/2006

Expires: 12/12/2007

Contract Agreement

AMERICAN HOME SHIELD

Common AHS Home Warranty Questions

Q. My system or appliance is over 10 years old. Is it still covered?

*A. Yes. Your AHS Home Warranty covers your home systems and appliances no matter what age.**

Q. How many service calls am I allowed?

A. As many as you need. There is no limit to the number of times you can call for covered repairs. In fact, the average AHS Home Warranty owner calls for repairs more than two times a year.

Q. What if I have an appliance that can't be fixed?

*A. If your covered system or appliance can't be fixed by a service technician, it will be replaced based on your contract agreement.***

Q. Do service technicians vary charges based on the type or complexity of the repair?

*A. No, you pay the same low trade service call fee (excluding possible permit fees, haul-away fees, etc.).***

Q. How do I know my service technician is qualified?

A. AHS contractors are pre-screened to meet our quality standards. Performance is also monitored regularly to make sure you receive professional, quality work. Your satisfaction is a top priority at AHS.

Q. What if I'm not satisfied with the services?

A. AHS will work with you until you are satisfied or we will refund the amount of the trade service call fee.

Q. Can I access my account online?

A. Yes. Simply go online to www.ahsservice.com, enter your contract number, phone number or address plus your zip code to log in. While online, you can request repair services, make payments, view your account status and more.

*If covered and not otherwise excluded under the terms of the contract.

**AHS may provide cash back in lieu of repair or replacement in the amount of AHS actual cost to repair or replace such item, which at times may be less than retail pricing. The trade service call fee applies to the initial visit by a service technician for each covered trade. This initial fee covers any additional technician visits required for the same breakdown within 30 days of the original service date. Additional charges may apply for some repairs and replacements.



The Home Warranty Plan is issued and administered exclusively by American Home Shield Corporation, American Home Shield of Arizona, Inc., American Home Shield of California, Inc., American Home Shield of Florida, Inc., American Home Shield of Iowa, Inc., American Home Shield of Maine, Inc., New Jersey Home Shield Corporation, American Home Shield of Texas, Inc., American Home Shield of Virginia, Inc. and American Home Shield of Washington, Inc. ("AHS"). Each of the companies operates only where permitted by law.

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EXHIBIT E

CHECK LIST

- ☐ AIR FILTERS
☐ CLEANED ☐ REPLACED
☐ COMPRESSOR
☐ SELECTION
☐ REFRIG. CONNECTIONS
☐ CONTACTS TIGHT & CLEAN
☐ CONDENSATION AREAS
☐ INSPECT & CLEAN DRAIN
☐ CONDENSER COIL
☐ CLEAN COIL & CHECK FOR COND.
- ☐ ELECTRICAL COMPTS.
☐ RELAYS ☐ CONTACTORS
☐ OVERLOAD ☐ PRESS SWITCH
☐ START CAPACITOR ☐ RUN CAPACITOR
☐ FAN AND MOTOR
☐ VOLTAGE
☐ ELECTRICAL CONNECTIONS
☐ CONTACTS TIGHT & CLEAN
☐ FAN PULLEY (MOTOR BELT)
☐ CHECK ADJUST
☐ HEATING ASSEMBLY
☐ BURNER HEAT EXCHANGER
☐ FUEL SUPPLY & PRESSURE
- ☐ PILOT ASSEMBLY
☐ FLAME ADJUSTMENT
☐ PRIMARY RELAY & FUSE
☐ FAN & LIMIT SWITCH OPER.
☐ BURNER ASSEMBLY
☐ IN VALVE
☐ STRIP HEAT
☐ DEFROST CYCLE
☐ REFRIGERANT
☐ LEAK ☐ O CHARGE
☐ THERMOSTAT
☐ O.K. ☐ REPLACE

AIR REPAIR LLC
 683 ALBION-BONNETT MEMORIAL DRIVE
 HUNTSVILLE, AL 35893
 PHONE: 205-491-2822

001131

DATE: 7-16-07
 DATE ORDERED: 7-16-07
 DATE SCHEDULED: 7-16-07

NAME: Steven Taylor
 ADDRESS: 6924 Van Buren Dr. N.C.
 CITY: P. 100875216
 STATE: AL 35892
 WORK PHONE: 205-3792

QUANTITY ITEM OR PART DESCRIPTION

PRICE AMOUNT

35 CUBIC FT. OF REFRIG. GAS

AMOUNT

4270-7301-0206-0081
 EXP 10-09

TOTAL PARTS

DESCRIPTION AMOUNT

RECOMMENDED REPAIRS
 TOTAL CHARGES \$

RECOMMENDED REPAIRS

RECOMMENDED REPAIRS

RECOMMENDED REPAIRS

RECOMMENDED REPAIRS

RECOMMENDED REPAIRS

RECOMMENDED REPAIRS

RECOMMENDED REPAIRS

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RECOMMENDED REPAIRS

RECOMMENDED REPAIRS

RECOMMENDED REPAIRS

RECOMMENDED REPAIRS

RECOMMENDED REPAIRS

RECOMMENDED REPAIRS

Slc PLO A/C Unit has
 electrical control - Contractor
 has method of repair. Exp cost
 is \$1000.00. Unit not having a
 proper filter rock in system condenser
 coil is also cleaned units of as
 surface. I left fee of
 \$5.650.00 for install. Heat ing
 and coils unit at \$3000.00
 for a complete unit. The
 labor is \$1000.00
 I enclose offer All Power
 I enclose

LABOR CHARGES \$1000.00
 MATERIAL \$5.650.00
 TOTAL \$6650.00

TECHNICIAN SIGNATURE: [Signature]
 DATE: 7-16-07
 CERTIFICATE NO. [Blank]
 SUB TOTAL \$6650.00
 TAX \$55.00
 TOTAL DUE \$6705.00

I HEREBY AUTHORIZE THE ABOVE WORK TO BE DONE AS SO ORDERED AND
 OUTLINED ABOVE. I AGREE THAT THE SELLER WILL RETAIN TITLE TO ANY
 EQUIPMENT OR MATERIAL PURCHASED UNTIL COMPLETE PAYMENT HAS BEEN
 MADE. IF SEVENTH DAY IS NOT MADE AS ORDERED THE SELLER HAS THE RIGHT TO
 REMOVE EQUIPMENT AND MATERIAL WITHOUT BEING HELD RESPONSIBLE FOR ANY
 DAMAGES RESULTING FROM THE REMOVAL OF EQUIPMENT.

DATE: 7-16-07
 SIGNATURE: [Signature]
 NAME: [Blank]

AGREE ORDERED WORK HAS BEEN COMPLETED AND I ACKNOWLEDGE RECEIPT OF WORK DONE. SIGNATURE: [Signature]
 DATE: 7-16-07

PRINTED IN U.S.A.
 18

EXHIBIT F

SEWELL SERVICE CO., INC.

P.O. BOX 94311

BIRMINGHAM, AL 35220-4311

(205) 680-5066



Grady

DATE 7/17/07

SCHEDULED

7/17/07

PHONE

568-3792

013475

NAME <u>Laura Fought</u>		JOB LOCATION		WK PHONE	
STREET <u>6924 Mountain View Drive</u>				<input type="checkbox"/> WARRANTY <input type="checkbox"/> NORMAL <input type="checkbox"/> CONTRACTOR <input type="checkbox"/> RESIDENTIAL <input type="checkbox"/> SERV. CONTRACT <input type="checkbox"/> COMMERCIAL	
CITY <u>PINSON</u>	STATE <u>AL</u>	ZIP <u>35126</u>	MAKE	MODEL	SERIAL NUMBER

QTY	PARTS DESCRIPTION	PRICE	DESCRIPTION OF WORK	SERVICE
			Estimate - Check Existing	
			3ton Rudd System - Age	
			31 years - System Has Compressor	
			Failure Due to Age - Compressor	
			Shorted Internally	
			Recommend Replacement	
			of Entire System	

PAYMENTS DUE 30 DAYS PLEASE

ENVIRONMENT		SYSTEM		DISPOSAL		TRIP CHARGES		TOTAL AMOUNT DUE	
TYPE	QTY.	QTY.	QTY.	QTY.	QTY.	QTY.	QTY.	QTY.	QTY.
RECOVERED?	YES <input type="checkbox"/> NO <input type="checkbox"/>	RECYCLED?	YES <input type="checkbox"/> NO <input type="checkbox"/>	RECLAIMED?	YES <input type="checkbox"/> NO <input type="checkbox"/>	RETURNED TO THIS SYSTEM?	YES <input type="checkbox"/> NO <input type="checkbox"/>	DISPOSAL	YES <input type="checkbox"/> NO <input type="checkbox"/>
CHANGED OUT (OR REPLACED)?		DIS. WANTED?		REFRIGERANT DISPOSAL		TRAVEL TIME		MILEAGE	
YES <input type="checkbox"/> NO <input type="checkbox"/>		YES <input type="checkbox"/> NO <input type="checkbox"/>		OUR PERSONNEL RECOMMEND:		TOTAL AMOUNT DUE		N/A	
OWNER'S INITIALS		ACCEPTED <input type="checkbox"/> DECLINED <input type="checkbox"/>		DATE		7/17/07			

I HAVE THE AUTHORITY TO ORDER THE ABOVE WORK AND DO SO ORDER AS OUTLINED ABOVE. IT IS AGREED THAT THE SELLER WILL RETAIN TITLE TO ANY EQUIPMENT OR MATERIAL FURNISHED UNTIL FINAL AND COMPLETE PAYMENT IS MADE, AND IF SETTLEMENT IS NOT MADE AS AGREED, THE SELLER SHALL HAVE THE RIGHT TO REMOVE SAME AND THE SELLER WILL BE HELD HARMLESS FOR ANY DAMAGES RESULTING FROM THE REMOVAL THEREOF.

X Laura Fought AUTHORIZED SIGNATURE

H-N BK E

EXHIBIT G

Compose Mail

Inbox (3294)

Sent Mail

Drafts

Spam (2795)

Monsanto filings (10)

Voxx filings (279)

4 more

Calendar

Tasks

Chat

Search, add, or invite

John Norris

Set status here

Vicki VanV

wesleybarnett

liznom

Rexanne Johnson

Denise Haynes

Frank Davis

Gena Nguyen

Goodman, John E.

Mary Ellen Bates

Wes Barnett

Options

Add Contacts

Web Search

Invite a friend

Give Gmail to:

Send invite 50 left

Preview badge

Search Mail

Search the Web

Show search options

Quick setup

Chinese Drywall Victims - defective-drywall-lawsuit.com - Get The Legal Help You Need Today. Instant Case Review. 800-LAW-INFO

Back to inbox

Archive

Report spam

Delete

Move to

Labels

More actions

Faught v. AHS

Inbox

X

Goodman, John E.

to John

show details

4:18 PM (8 minutes ago)

Reply

AHS consents to plaintiffs filing and amended complaint without the necessity of plaintiffs filing of a motion.

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